

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 10, 2010
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Jared Deason, Regulatory Analyst IV, Division of Economic Regulation
RE: Docket No. 090531-WS - Application for staff assisted rate case in Highlands County by Lake Placid Utilities, Inc.

Please add the attached document to Docket No. 090531-WS

RECEIVED-FPSC
10 SEP 14 AM 10:14
COMMISSION
CLERK

DOCUMENT NUMBER DATE

07666 SEP 14 @

FPSC-COMMISSION CLERK

Jared Deason

From: Jared Deason
Sent: Friday, September 10, 2010 11:41 AM
To: Erin Povich; Martin Friedman
Cc: Bart Fletcher; Andrew Maurey; Cheryl Bulecza-Banks; Keino Young; Lydia Roberts; 'Christian W. Marcelli'; MERCHANT.TRICIA; REILLY.STEVE; 'VANDIVER.DENISE'
Subject: Lake Placid Utilities, Inc. SARC Docket No. 090531-WS

Tracking:

Recipient	Read
Erin Povich	
Martin Friedman	
Bart Fletcher	Read: 9/10/2010 11:41 AM
Andrew Maurey	
Cheryl Bulecza-Banks	Read: 9/10/2010 1:32 PM
Keino Young	
Lydia Roberts	Read: 9/10/2010 11:43 AM
'Christian W. Marcelli'	
MERCHANT.TRICIA	
REILLY.STEVE	
'VANDIVER.DENISE'	

Dear Erin/Marty:

Below are the reported Plant Additions and Cap Time from 2006 - 2008 for Lake Placid:

	<u>2006</u>	<u>2007</u>	<u>2008</u>
<u>Cap Time</u>	\$20,437	\$11,123	\$1,077
<u>Plant Additions</u>	\$68,019	\$30,589	\$286,255
<u>Cap Time /Plant Additions Ratio</u>	30%	36%	0.4%

1. Please explain in detail why the Utility recorded cap time of approximately one-third of Plant Additions for 2006 and 2007 and cap time of less than one percent of Plant Additions in 2008.
2. Regarding the negative salaries recorded in 2006 and 2007, it appears that the negative amounts resulting from cap time exceeding the salary expense resulted in corresponding adjustments to increase Plant. Please explain why Rate Base should not be reduced by these amounts.
3. Recognizing the wide variability in salary expense reflected in O&M expenses over the past 4 years, please provide in detail what the Utility believes is the appropriate salary amount to be included in O&M expense for rate making purposes in this docket. In your response, please provide all work papers, assumptions and other documentation supporting the amount the Utility believes is appropriate.

Please respond by the close of business on Friday, September 17, 2010. If you have any questions, please let me know.

Thanks,

Jared Deason

9/10/2010

2010 SEP 14 11:41 AM
 7666 SEP 14 2010
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Division of Economic Regulation
Florida Public Service Commission
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Tallahassee, Florida 32399-0850
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